



Connecticut Manufactured Housing Association

## **Statement of the Connecticut Manufactured Housing Association in Opposition to H.B. 6589 – ‘An Act Concerning Rent Stabilization in Mobile Manufactured Home Parks’**

The Connecticut Manufactured Housing Association (CMHA) opposes H.B. 6589. Members of the Association own three quarters of the 10,000+ mobile home lots in Connecticut. As it is today, manufactured homes offer a practical housing alternative for residents with limited financial resources. There are several reasons for our opposition to the bill capping rents in manufactured home parks.

**Park residents will suffer if mobile home park rents are capped.** While some people believe that capping rents is the solution to affordable housing, it is more likely that it will have the exact opposite effect. Rent increases enable community owners to offer a safe and comfortable environment, and to be able to keep up with ongoing repairs and maintenance. Restrictions on rent will make it more difficult to respond to resident and property needs and less likely for owners to invest in capital improvements. Some may even be forced to sell or close their businesses. As properties decline, the value of homes in the park and those surrounding it will also drop. A study in the *Journal of Economic Perspectives* found that 93.5% of U.S. economists agreed that “A ceiling on rents reduces the quantity and quality of housing available”.<sup>1</sup>

**The bill unfairly targets mobile home park owners in Connecticut.** Park owners are faced with the same increases in inflation, taxes, labor, utilities, and other operating expenses as any other business. In addition, they have infrastructure costs such as water systems which can cost hundreds of thousands of dollars to replace or undergo major repairs; road paving bills which are in the tens of thousands to maintain and repair; aging septic systems that need to be upgraded can cost more than a million dollars; and the cost of waste removal for all communities has skyrocketed in the past few years. In some cases, communities offer clubhouses, pools and playgrounds that generate further costs. The bill will also have a ripple effect on park owners’ employees; outside contractors who set up the homes, pave and plow the roads, mow the lawns, cut the trees; fuel suppliers; waste management companies; and those who perform general maintenance on the homes. Why single out mobile home park owners and their support service providers to bear the burden of the State’s affordable housing crisis?

**Mobile home park owners have a right to run their business for profit.** Mobile home community owners in the state range from a couple who owns a park with three sites to *Fortune 500* companies who own multiple parks in several states. Many parks have been family-run for generations, while others have been purchased as an investment opportunity by individuals, small investment groups and large corporations. In a free market, each owner has the right to a fair profit whether it is for family living expenses, funding retirement, or delivering a return on investment to their shareholders. It is not up to consumer groups or legislators to dictate pricing. Any form of rent control will impose an insurmountable barrier to a positive return on investment.

**Fair Housing Commissions need a chance to do what they were intended to do.** Last year the Legislature authorized Fair Housing Commissions in municipalities with 25,000 or more residents. The purpose of the Commissions is to handle housing disputes, including rent, between a landlord and tenant. Municipalities are still in the process of setting up their Commissions in order to meet the July 1, 2023 deadline. It only makes sense to give them the chance to determine their effectiveness.

**There are significant financial costs associated with implementing and maintaining a rent stabilization or rent control program.** The last thing the state and municipalities need are additional administrative costs attributed to housing that will not produce any increase in places for people to live.

Thank you for your consideration of our position.

Respectfully,

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<sup>1</sup> [10.1257/jep.9.1.99](http://10.1257/jep.9.1.99) ([aeaweb.org](http://aeaweb.org))